

Buy Malaysian: Spend wisely to boost economic activity

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Thursday, 12 February 2009 09:41 - Last Updated Thursday, 12 February 2009 09:49

NST 2009/02/01
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THE government launched the Buy Malaysian campaign on Jan 16. Consumers should support this campaign to minimise the impact of the global economic crisis on workers and consumers.

In this gloomy economic climate, external demand for our goods has been reduced tremendously, resulting in companies reducing production or closing down. More than 10,000 workers have reportedly lost their jobs. This situation is expected to get worse, globally and locally.

The International Labour Organisation said as many as 51 million jobs worldwide could be lost this year.

With diminishing external demand, the focus on economic growth has to be on local consumption to minimise the impact of falling exports.

What can be done to boost this campaign?

Firstly, we need to identify what products are local. Often, imported products are mistaken for local products. Malaysians spent RM27 billion on food (vegetables, fish, milk and dairy products, fruits and meat) in 2007.

Which are local and which are imported? We need to identify local products. A "Made in Malaysia" label would be useful for this means.

Secondly, consumers need to challenge their old beliefs and prejudices.

Many are hooked on well-known brands and assume these products are superior. But brands and high prices do not necessarily mean high quality; it just means the companies have advertised extensively or priced them high to give an image of quality.

Consumers need to be brave and take risks in exploring alternative goods.

House brands, for example, are not different from established brands, yet cost between 20 and 40 per cent less.

It cannot be denied that many consumers perceive imported products to be better. To overcome this perception, more local companies should comply with Sirim standards and seek accreditation for their products.

This will give consumers confidence in the quality and standard of Malaysian products.

Another challenge is the negative consumer sentiment in general. Every day, there are reports of more retrenchments locally and overseas.

Experts are also not clearly explaining when we are going to get out of this mess. Some say six months, others a year, and yet others are predicting at least two years.

Bill Gates suggests that it may take up to 10 years. The Malaysian Institute of Economic Research consumer sentiment index shows a very pessimistic consumer outlook.

As a consequence, people are cautious of their spending. While caution is good, we also need to realise that prudent spending, and not wasteful spending, is what is going to move the economy ahead in these difficult times.

Only when consumers spend can products be manufactured and workers will have employment and they themselves will spend.

Source: NST

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